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per Back Gover

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ord 1979/8 - Amends Fair Camapign Practices Ord. to limit Individual political contributions

Ord 108130 -Amending Sec 13-J of Fair Campaign Practices Ord. (106653) to provide expenditure authorty from Election Campaign Accent to the Elections Administrator.

C.F. 290471 -Documents on Seattle City Council deliberations regarding the Campaign Financing Ordinance.

Roll call vote below;

yer-Realle Smith-yes no-Benson williams-yes yes-Hildt Kradul-no yes-Witinga yes-Miller

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ORDINANCE 107772

AN ORDINANCE relating to municipal elections; providing for the limitation of contributions to and expenditures for municipal election campaigns and establishing a system of partial financing for public election campaigns; amending Sections 2, 16 and 21 of Ordinance 106653 (Fair Campaign Practices Ordinance) and adding thereto new sections 13-A, 13-B, 13-C, 13-D, 13-E, 13-F, 13-G, 13-H, 13-J, 13-J, 13-K, 13-L and 13-M.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Ordinance 106653 is amended by adding thereto thirteen new sections designated 13-A through 13-M as follows:

Section 13-A. FINDINGS OF FACT. The City finds that, in the interest of the public health, safety and welfare, the municipal election process and municipal government should be protected from undue influence by individuals and groups making large contributions to the election campaigns of candidates for Mayor, City Council, City Attorney, City Comptroller and City Treasurer.

The City finds that, in the interest of the public health, safety and welfare, the municipal election process and municipal government should be protected from even the appearance of undue influence by individuals or groups contributing to candidates for Mayor, City Council, City Attorney, City Comptroller and City Treasurer.

The City therefore finds that limitations on contributions of money, services and materials by individuals or groups to municipal election campaigns should be imposed by law to protect the public health, safety and welfare. These limitations, however, should be reasonable, so as not to discourage personal expression.

Section 13-B. APPLICATION. These Sections 13-A through 13-M apply only to candidates in any primary, general or special election for the offices of Mayor, City Council, City Attorney, City Comptroller and City Treasurer of the City of Seattle.

Section 13-C. CONTRIBUTIONS LIMITED.

(a) No person shall make a contribution of more than Two Hundred Fifty Dollars (\$250) to any candidate for Mayor, City Council City Attorney, City Comptroller, or City Treasurer, in any campaign year; <u>Provided</u>, a group of ten or more individuals may contribute up to Five Hundred Dollars (\$500) to any candidate for

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Mayor, City Council, City Attorney, City Comptroller, or City Treasurer, in the name of such group; Provided further, that no individual member of such group shall contribute more than Two Hundred Fifty Dollars (\$250) toward the group contribution, nor an aggregate amount of more than Two Hundred Fifty Dollars (\$250) to any candidate whether through a group contribution or a personal contribution.

- (b) No candidate for Mayor, City Council, City Attorney, City Comptroller, or City Treasurer shall accept or receive a campaign contribution of more than Two Hundred Fifty Dollars (\$250) from any person or more than Five Hundred Dollars (\$500) from any group of ten or more individuals in any campaign year; provided,
- (1) The limitations imposed by this section shall not apply to a candidate's contributions of his/her own resources to his/her own campaign; the limitations imposed by this section shall apply to the contributions of all others; and
- (2) The limitations imposed by this section shall not apply to independent expenditures as defined by this ordinance; and
- (3) The limitations imposed by this section shall not apply to the value of in-kind labor.

Section 13-D. FINDINGS OF FACT. The City finds it is in the public interest to encourage the widest participation of the public in the electoral process, to reduce the dependence of candidates on large contributions, and to increase public knowledge of the candidates and of election issues.

The City finds that it is in the public interest to free candidates from the time expended in raising funds in order to increase the time available to the candidate for the discussion of public issues.

The City finds that voluntary campaign expenditure limitations coupled with provisions of public funds for campaign purposes are necessary to further these public interests at a reasonable cost to the City and that such a program should be established.

Section 13-E. CAMPAIGN CONTRACT.

(a) A candidate for Mayor, City Council, City Attorney, City Comptroller

or City Treasurer of the City may sign a contract with the City agreeing to abide by limitations on candidates' contributions, limitations on campaign expenditures, and limitations on the use of all contributions, as specified in this chapter in exchange for public matching funds.

(b) The campaign contract must be signed by the individual candidate either within thirty (30) days after the individual becomes a candidate as defined in RCH 42.17.020, or at the time of filing for said office, whichever is earlier.

Section 13-F. CANDIDATES' CONTRIBUTION LIMITATIONS. A candidate who signs a campaign contract shall make no contributions to his/her own campaign or political committee which in the aggregate exceeds One Thousand Dollars (\$1,000) in any campaign year.

Section 13-G. EXPENDITURE LIMITATIONS.

(a) A candidate who signs a campaign contract in accordance with Section 13-E, shall not, during the campaign year, make expenditures exceeding the aggregate amount of One Hundred Fifty Thousand Dollars (\$150,000) for the office of Mayor or Fifty Thousand Dollars (\$50,000) for the offices of the City Council, City Attorney, City Comptroller and City Treasurer; <u>Provided</u>, that no more than seventy-five percent (75%) of the applicable expenditure limitation shall be spent through the day of the primary election.

Independent expenditures, as defined by this ordinance shall not be included in the computation of a candidate's expenditures.

Section 13-H. ELIGIBILITY REQUIREMENTS.

- (a) To be eligible to receive public matching funds, a candidate for Mayor, City Council, City Attorney, City Comptroller or City Treasurer must meet the requirements of the City Charter; and during the campaign year,
- (1) for the office of Mayor either (a) receive Tranty Thousand Dollars (\$20,000) from at least one hundred (100) contributors or (b) receive three hundred (300) contributions of Ten Dollars (\$10) or more;
- (2) for the offices of City Council, City Attorney, City Comptroller or City Treasurer either (a) receive Seventy-five Hundred Dollars (\$7,500) from at least one hundred (100) contributors, or (b) receive two hundred (200) contributions of Ten Dollars (\$10) or more.

(b) For purposes of establishing eligiblity under this section, only those contributions received from residents of the City of Seattle shall be counted toward the requirement.

(c) Candidates must submit evidence of meeting the eligibility requirements of this section to the Office of Election Administration for verification.

Upon verification of eligibility, a candidate who has signed a campaign contract shall be eligible to receive public matching funds; Provided, that no such funds shall be disbursed to any qualified candidate prior to January 1 of the applicable campaign year; and Provided further, that any candidate who receives public matching funds and later fails to file for public office or withdraws his/her candidacy after filing shall return to the Election Campaign Account an amount equal to the public funds disbursed to that candidate.

Section 13-1. PUBLIC MATCHING FUNDS.

- (a) A candidate who has met the eligibility requirements for public matching funds and who has signed a campaign contract shall be entitled to receive one dollar in public matching funds for each dollar received from any individual to a maximum of \$50 per individual, Provided, that neither loans nor the transfers of anything of value other than money to the candidate or his/her political committee shall be matched with public funds.
- (h) A candidate who signs a campaign contract shall be eligible to receive public matching funds even if his/her opponent has not signed a campaign contract.
- (c) A candidate who has signed a campaign contract is eligible to receive public matching funds until it is determined that such candidate has no opponent at the close of the filing period or after the primary election as provided by law. For purposes of this section, a write-in candidate shall not be considered an opponent.
- (d) If following the election wherein the candidate is elected or defeated, the candidate has unexpended compaign funds, one-half of such surplus shall be returned to the Election Campaign Account within ten days of certification of the election.
- (e) A candidate who has signed a campaign contract may void his/her contract within 15 days after the close of filing, Provided, an opponent of that candidate does not enter into a campaign contract pursuant to this ordinance; and Provided further, that the candidate returns all public funds received pursuant to this ordinance.

Section 13-J. FUNDING.

(a) There is hereby established an Election Campaign Account in the Gen-

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eral Fund into which shall be deposited such sums as may be appropriated from time to time in the annual budget, gifts and donations made to the City for the support of public election campaign financing, and such sums as may otherwise be appropriated to said account. Money in said account shall be expended from time to time for the purpose of partially financing public election campaigns.

(b) The Office of Election Administration may encourage and accept contributions to the Election Campaign Account. These contributions may be accepted at any time without limitation as to the amount.

Section 13-K. PERMITTED USE OF PUBLIC MATCHING FUNDS. Public matching funds may be expended only for the receiving candidate's direct campaign purposes such as, but not limited to, purchasing campaign literature or media space or time, mailings, renting campaign headquarters, or paying for campaign headquarter telephones. A candidate who signs a campaign contract may use neither contributions nor public matching funds for indirect campaign purposes such as, but not limited to, providing a candidate's personal support, or for donation to another's campaign. Permissibility of an expenditure of public matching funds shall be determined by the Administrator of the Office of Election Administration.

Section 13-L. TRANSITION. Candidates who receive contributions between November 7, 1978, and January 1, 1979, and who wish to receive public matching funds may apply such 1978 contributions toward meeting eligibility requirements for public matching funds as though such funds were received in 1979; provided, that no such contribution from an individual shall be deemed to have exceeded Two Hundred Fifty Dollars (\$250), and no such contribution from a group shall be deemed to have exceeded Five Eundred Dollars (\$500).

A candidate who wishes to qualify for public matching funds and who has contributed more than \$1,000 of his/her own funds to his/her own 1979 campaign between November 7, 1978, and January 1, 1979, may qualify only upon removing the excess over \$1,000 of his/her own funds from his/her campaign fund, as well as otherwise complying with the terms of this ordinance.

Section 13-M. As of November 15, 1982, Section 13-A through 13-M of this ordinance are hereby repealed. On July 1, 1982, the Seattle City Council shall initiate review of the operation of Sections 13-A through 13-M hereof and shall

determine whether or not these sections have effectively served the public purposes expressed therein.

- Section 2. Section 2 of Ordinance 106653 is amended as follows:
- Section 2. DEFINITIONS. ((a)) "Administrative Code" means the Administrative Code of The City of Seattle, Ordinance 102228 as amended.
- ((b)) Administrator" means the Administrator of the Office of Election Administration of The City of Seattle.
- ((e)) "Agency" means all offices, boards, departments, divisions, commissions and similar subdivisions of The City of Seattle.
- ((d)) "Ballot proposition" means any measure, question, initiative, referendum, recall, or charter amendment submitted to, or proposed for submission to the voters of the City.
- ((e)) "Campaign depository" means a bank designated by a candidate or political committee pursuant to Section 4 of this ordinance.
- ((F)) "Campaign treasurer" and "deputy campaign treasurer" mean the individuals appointed by a candidate or political committee, pursuant to Section 4 of this ordinance, to perform the duties specified in this ordinance.

"Campaign year" means that period beginning twelve (12) months before the general election and ending when a campaign is officially closed, as determined by the Office of Election Administration.

- ((g)) "Candidate" means any individual who seeks election to public office in The City of Seattle, whether or not successfully. An individual shall be deemed to seek election when he or she first:
- (1) Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office; or
  - (2) Announced publicly or files for office.
  - ((h)) "Charter" means the Charter of The City of Scattle.

### "City" means The City of Seattle.

((1)) "Commercial advertiser" means any person who sells the service of communicating messages or producing printed material for broadcast or distribution to the general public or segments of the general public whether through the

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use of newspapers, magazines, television or radio stations, billboard companies, direct mail advertising companies, printing companies, or otherwise.

(fj)) "Continuing political committee" means a political committee which is an organization of continuing existence not established in anticipation of any particular election.

((ke)) "Contribution" means a loan, loan guarantee, gift, deposit, subscription, forgiveness Ofindebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or transfer of anything of value, including personal and professional services, for less than full consideration, but does not include interest on monies deposited in a political committee's account, ordinary home hospitality, the rendering of "part time" personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses not in excess of Twenty-five Dollars (\$25.00) personally paid for by a volunteer campaign worker. For the purposes of this ordinance, the term "part time personal services" means services in addition to regular full time employment or, in the case of an unemployed person, services not in excess of twenty hours per week, excluding weekends. For the purposes of this ordinance, contributions other than money or its equivalents shall be deemed to have a money value equivalent to the fair market value of the contribution. Sums paid for tickets to fund-raising events such as dinners and parties are contributions; however, the amount of any such contribution may be reduced for the purpose of complying with the reporting requirements of this ordinance by the actual cost of consumables furnished in connection with the purchase of such tickets, and only the excess over actual cost of such consumables shall be deemed a contribution.

((1)) "Elected official" means any person elected at a general or special election to any public office of The City of Seattle and any person appointed to fill a vacancy in any such office.

((m)) "Election" includes any primary, general, or special election for public office by The City of Seattle or any election in which a ballot proposition is submitted to the voters of the City; Provided, that an election in which the qualifications for voting include requirements other than those set forth in Article VI,

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Section 1 (Amendment 63) of the Constitution of the State of Washington shall not be considered an election for purposes of this ordinance.

((n)) "Election campaign" means any campaign in support of or in opposition to a candidate for election to public office of The City of Seattle and any campaign in support of, or in opposition to, a ballot proposition.

((6)) "Expenditure" means a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. The term "expenditure" also includes a promise to pay; and a payment or transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For purposes of this ordinance, expenditures other than money or its equivalent shall be deemed to have a monetary value equal to the fair market value of the expenditure. The term "expenditure" shall not include: (1) the partial or complete repayment by a candidate or political committee of the principal of a loan, the receipt of which loan has been property reported, or (2) payment of service charges against a political committee's campaign account ((-)), or (3) the value of in-kind labor, or (4) fines or any amounts returned to the Election Campaign Account as a result of any penalties imposed on a candidate for violating this ordinance.

((p)) "Fair Campaign Practices Commission (FCPC)" means the Fair Campaign Practices Commission established by Section 18 of this Ordinance.

"In-kind labor" means services provided by a person who volunteers all, or a portion, of his/her time to a candidate's election campaign, and who is not paid by any person for such services.

"Independent Expenditure" means expenditure on behalf of, or opposing the election of, any candidate, when such expenditure is made independently of the candidate, his/her political committee, or agent, and when such expenditure is made without the prior consent, or the collusion, or the cooperation of the candidate or his/her agent or political committee.

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- ((q)) "Public Disclosure Commission (PDC)" means the Public Disclosure Commission established by RCW 42.17.350.
- ((r)) "Final report" means the report described as a final report in Section 9 of this ordinance.
- ((3)) "Person" means an individual, partnership, joint venture, public or private corporation, association, federal, state or local government entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.
- ((t)) "Political advertising" means any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign.
- ((u)) "Political committee" means any person (except a candidate or an individual dealing with his own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.
  - ((v)) "Public office" means any elective office of The City of Seattle.

As used in this ordinance, the singular shall include the plural and conversely, and any gender, any other, as the context requires.

Section 3. Section 16 of Ordinance 106653 is amended to read as follows:

Section 16. ADMINISTRATOR -- DUTIES THEREOF. The executive head of the Office of Election Administration shall be the Administrator, whose office shall not be included in the classified Civil Service. The Administrator must have had employment experience as an auditor and shall be appointed by the FCPC. Each Administrator shall be appointed to an initial term of one year, subject to confirmation by a two-thirds vote of the members of the City Council, and may thereafter be re-appointed to subsequent four (4) year terms subject to a like vote. The Administrator shall be removed from that position only for cause and subject to a two-thirds vote of the City Council. The rate of compensation for such

position ((is hereby fixed and established at a maximum of \$ per month)) shall be as provided by the Salary Ordinance; Provided, that no appointment shall be made under the authority of this section except ex a the filing by the Civil Service Commission as a permanent record in the office of the City Comptroller of its recommendation that such office, as a professional or administrative office or position similar to offices and positions designated in Article XVI, Section 11 of the City Charter, should not be included in the classified Civil Service.

The Administrator of the Office of Election Administration shall be responsible for the management of said office, may in the exercise of such duties consult with the Fair Campaign Practices Commission and in that connection is authorized to:

- (a) Adopt, promulgate, amend, and rescind suitable administrative rules and regulations to carry out the policies and purposes of this ordinance, which rules and regulations shall be promulgated pursuant to the provisions of the Administrative Code (Ordinance 102223); Provided, that administrative rules and regulations adopted by the PDC shall be applicable in the construction, interpretation and implementation of such provisions of this ordinance as are substantially the same as provisions of Ch. 42.17 RCW;
- (b) Relieve, by published regulations of general applicability, candidates or political committees of obligations to comply with the provisions of this ordinance relating to election campaign. If they have not received contributions nor made expenditures of more than One Thousand Dollars (\$1,000) in connection with any election campaign; and
- (c) Require that forms developed and prepared by the PDC be utilized for the reports and statements required to be made under this ordinance; <u>Provided</u>, that whenever the Administrator determines that any such form is not reasonably appropriate for the purposes of this ordinance, he may develop and provide suitable forms as are reasonably necessary, and require such forms to be utilized for such purposes;
  - (d) Encourage persons required to make reports under this ordinance to use

the PDC-published manual that sets forth recommended uniform methods of bookkeeping and reporting;

- (e) Compile and maintain a current list of all filed reports and statements;
- (f) It restigate whether properly completed statements and reports have been filed within the times required by this ordinance.
  - (g) Review all disclosure reports for completeness and internal consistency;
- (h) Independently verify entries on disclosure reports and other forms selected on an arithmetically random basis;
- (i) Prepare and publish, not less than ten days before newly elected officers take office, a report setting forth, as to each candidate who filed a final report, the amounts and sources of all contributions and the amounts and purposes of all expenditures set forth in such final report; and the names and addresses of any candidates who failed to file a final report or who filed an incomplete final report; and prepare and publish such other reports as in his judgment will tend to promote the purposes of this ordinance;
- (j) Determine upon written complaint or upon his or her own initiative, in accordance with Section 17 of this ordinance, that a violation of this ordinance has occurred, and report such apparent violation to either the FCPC or the PDC; provided that the Administrator shall have the authority to resolve with the person who has apparently violated this ordinance, what the Administrator determines to be inadvertent, de minimus violations without referring the matter to the FCPC or the PDC for a hearing; provided further that the Administrator shall report violations to the PDC only in the event the FCPC in unable to hear the matter.
- (k) Have access to reports filed with the City Comptroller in accordance with this ordinance and make copies thereof available at no charge for public inspection with duplicates available during regular office hours at a reasonable cost to the person requesting such duplicates.
- (I) Keep, for a period of time not less than five years from the date of filing, cosies of all official reports, records and statements furnished by the City Comptroller to the Administrator for public inspection.
  - (m) Review, four months prior to the beginning of any campaign year, the

costs of campaigning, and recommend to the City Council whether or not Sections 13-C through 13-I should be amended.

- (n) Determine whether the evidence submitted by a candidate for Mayor,

  City Council, City Attorney, City Comptroller, and City Treasurer meets the eligibility requirements for receiving public matching funds.
- (o) Accept campaign contracts from candidates for Mayor, City Council,
  City Attorney, City Comptroller or City Treasurer.
- (p) Monitor contributions and expenditures of candidates, and notify candidates who are close to their voluntary expenditure limitations.
- (q) Attempt to secure grants or other sources of funding for the Election

  Campaign Account in the General Fund.

Section 4. Section 21 of Ordinance 106653 is amended to read as follows:

Section 21. CIVIL REMEDIES AND SANCTIONS. One or more of the following civil remedies and sanctions may be imposed by court order in addition to any other remedies provided by law:

- (a) If the court finds that the violation of any provision of this ordinance by any candidate or political committee probably affected the outcome of any election, the result of said election may be held void and a special election held within sixty days of such finding. Any action to void an election shall be commenced within one year of the date of the election in question. It is intended that this remedy be imposed freely in all appropriate cases to protect the right of the electorate to an informed and knowledgeable vote.
- (b) The violation or failure to comply with the provisions of Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, or 13 (regarding campaign reporting), or Section 13-C (regarding contribution limitations) of this ordinance constitutes a violation subject to the provisions of Chapter 12A.01 and 12A.02 of the Seattle Criminal Code, and any person convicted thereof may be punished by a civil fine or forfeiture in a sum not exceeding Five Hundred Dollars (\$500) per violation.
- (c) Any person who fails to comply with the conditions of his/her campaign contract shall be ineligible to receive further such funds until in compliance. Any candidate who exceeds the expenditure limitation for which he/she has contracted

shall immediately return to the Election Campaign Account three dollars (\$3.00) for every one dollar (\$1.00) he/she has overspent in that campaign year, to a maximum amount equal to the total sum of public funds he/she has received.

(((b)-The-court-may-enjoin-any-person-to-prevent-the-doing of-any-set-herein-prohibited;-or-to-compel-the-performance-of-any act-required-herein.

for-Any-person-who-fails-to-report-a-contribution-or-enpenditure-may-be-subject-to-a-civil-penalty-cquivalent-to-the
amount-not-exceeding-five-Hundred-Dollars-(\$500)-ho-or-sho-failed
to-report-

(d)-Any-person-who-violates-any-of-the-provisions-of-this ordinance-may-be-subject-to-a-civil-penalty-of-not-more-than-Two Hundred-Fifty-Dollars-(\$250)-for-each-such-violation;-PROVEDED, however,-that-any-person-responsible-for-the-filing-of-a-properly completed-statement-or-report-within-the-time-required-by-this ordinance-who-fails-to-file-a-properly-completed-statement-or report-within-such-time-may-be-subject-to-a-civil-penalty-of report-within-such-time-may-be-subject-to-a-civil-penalty-of continues;-(\$10:00)-per-day-for-each-day-cach-such-delinquency continues;--AND-FROVIDED-fURTHER;-that-nc-individual-penalty assessed-pursuant-to-this-cubsection-(d)-of-this-section-shall execed-Two-Hundred-Fifty-Dollars-(\$250)-mand-in-any-case-where multiple-violations-are-involved-in-a-single-complaint-or-heaving the-maximum-aggregate-penalty-shall-not-masced-Five-Hundred Dollars-(\$500);))

Section 5. (EFFECTIVE DATE. This ordinance shall become effective on January 1, 1979.

(To be used for all Ordinances except Emergency.)

Section	MINIT TAKE CHEEF	at the time it shall become	a law under the
Passed by the City Council the	day of	November	1978.
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March 27, 1989 0907C:SM:clt:mls

· Ron Sims Introduced by: <u>Cynthia Sullivan</u>

Proposed No.:

88 - 531

ordinance no. 8970

AN ORDINANCE relating to establishing limits on campaign contributions and creating voluntary program for matching public funds and establishing civil penalties for violations.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings of fact. A. The county finds that, in the interest of the public health, safety and welfare, it is necessary to safeguard the integrity of the political process. Therefore, the county election process and county government should be protected from undue influence by individuals and groups making large contributions to the election campaigns of candidates for executive, county council, and assessor.

B. The county finds that, in the interest of the public health, safety and welfare, it is necessary to safeguard the confidence in the political process. Therefore, the county election process and county government should be protected from even the appearance of undue influence by individuals or groups contributing to candidates for executive, county council, and assessor. The confidence of the public in a fair and democratic election process is vital. In the high cost of election campaigning, there can be the problem of improper influence, rea or perceived, exercised by campaign contributors over elected officials. It is the policy of this county to foster broad-base citizen involvement in financing election campaigns.

 C. The county therefore finds that limitations on contributions of money, services and materials by individuals or groups to county election campaigns should be imposed by law to protect the public health, safety, welfare and the integrity of the process. These limitations, however, should be reasonable, so as not to discourage personal expression.

D. The county, therefore, finds it is in the public interest to encourage the widest participation of the public in the electoral process, to reduce the dependence of candidates on large contributions and to increase public knowledge of the candidates and of election issues. The county finds that campaign expenditure limitations are in the best interest of the public. Recognizing that public matching funds for campaign purposes are necessary for voluntary expenditure limitations to be successful and voluntary programs are the only limitations constitutionally permissible, the Council finds a program of public matching funds should be established.

 $\underline{\sf SECTION\ 2}$ . Definitions. For purposes of this ordinance the following definitions shall apply:

- A. "Campaign Year". "Campaign Year" means January 1 to December 31, of the year an election is held for a county elective office.
- B. "Candidate". "Candidate" means any individual who seeks election to a public office set out in Section 3 whether or not successfully. An individual shall be deemed to be seeking election when he or she first: receives contributions or makes expenditures or reserves space or facilities with intent to promote his candidacy for office, announces publicly or files for office, whichever occurs first.
- C. "Contribution". "Contribution" means a loan, loan guarantee, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or transfer of anything of

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value, including personal and professional services, for less than full consideration. "Contribution" does not include interest on moneys deposited in a political committee's account, ordinary home hospitality, volunteer in-kind labor or incidental expenses not in excess of twenty-five dollars personally paid for by a volunteer campaign worker. For the purposes of this ordinance, contributions other than money or its equivalents shall be deemed to have a money value equivalent to the fair market value of the contribution. Sums paid for tickets to fundraising events such as dinners and parties are contributions; however, the amount of any such contribution may be reduced for the purpose of complying with the reporting requirements of this ordinance by the actual cost of consumables furnished in connection with the purchase of such tickets, and only the excess over actual cost of such consumables shall be deemed a contribution.

- D. "Expenditure". "Expenditure" means a payment, contribution, subscription, distribution, loan advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay; and a payment or transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For purposes of this ordinance, expenditures other than money or its equivalent shall be deemed to have a monetary value equal to the fair market value of the expenditure. "Expenditure" shall not include:
- 1. The partial or complete repayment by a candidate or political committee of the principal of a loan, the receipt of which loan has been properly reported; or

- 2. The value of in-kind labor; or
- Fines paid as a result of any penalties imposed on a candidate for violating this ordinance.
- E. "Fair advertising". "Fair advertising" means any publication, literature or media advertising, which bears the clear and conspicuous identification of the sponsoring candidate's name.
- F. "In-kind Labor". "In-kind labor" means services provided by a person who volunteers all or a portion of his/her time to a candidate's election campaign, and who is not paid by any person for such services.
- G. "Independent Expenditure". "Independent expenditure" means expenditure on behalf of, or opposing the election of, any candidate, when such expenditure is made independently of the candidate, his/her political committee, or agent, and when such expenditure is made without the prior consent, or the collusion, or the cooperation, of the candidate or his/her agent or political committee.
- H. "Outside Political Committee". "Outside political committee" means political committees other than those authorized by a single specific candidate for his/her campaign.
- I. ,"Non-campaign year". "Non-campaign year" means any one of three-years during the period beginning January 1 of the year after an election for a county elective office.
- J. "Person". "Person" means any individual, association, corporation, candidate, committee, political committee, political party, partnership or other entity.
- K. "Political Committee". "Political committee" means any person (except a candidate or an individual dealing with his own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate and which has also filed as political committee bursuant to RCW 42.17.

L. "Political Party". "Political Party" shall mean a major political party or a new or minor party which is established pursuant to RCW 29.42

SECTION 3. Application. These limits shall apply only to candidates in any primary, general or special election for the offices of King County executive, council, and assessor.

SECTION 4. Mandatory limitations on contributions.

- A. No person shall make a contribution of more than three hundred fifty dollars to any candidate for executive, county council, or assessor, in any campaign year; provided, a political committee may contribute up to one thousand dollars to any candidate for executive, county council, or assessor in the name of such group; provided further, that no person shall knowingly contribute more than three hundred fifty dollars in aggregate to any such candidate, in any campaign year, including contributions to outside political committees except political parties, which contribute to candidates for the above county offices.
- B. No person shall contribute more than \$100 during any non-campaign year to any candidate for executive, county council, or assessor.
- C. No candidate for executive, county council, or assessor shall accept or receive a campaign contribution of more than three hundred fifty dollars from any person or more than one thousand dollars from any political committee in any campaign year nor shall any such candidate accept or receive a campaign contribution of more than \$100 from any person during a non-campaign year;
- D. The limitations imposed by this section shall not apply to:
- 1. A candidate's contributions of his/her own resources to his/her own campaign; the limitations imposed by this section shall apply to the contributions of all others; and

- 2. Independent expenditures as defined by this chapter; an
- 3. The value of in-kind labor.

SECTION 5. Charter Amendment. This ordinance shall be effective upon the adoption, on or before January 1, 1990 by the voters of King County, of an amendment to the King County Charter authorizing and requiring the King County Council to establish by ordinance a system of campaign contribution limitations and voluntary limitations on campaign expenditures with public matching funds.

SECTION 6. Campaign contract. A. Effective with elections for county officers in 1991, a candidate for executive, county council, or assessor may sign a contract with the county agreeing to abide by limitations on candidates' contributions, limitations on campaign expenditures, and limitations on the use of all contributions as specified in this chapter in exchange for public matching funds.

B. The campaign contract must be signed by the individual candidate either within thirty days after the individual becomes a candidate as defined in RCW 42.17.020, or at the time of filing for said office, whichever is earlier.

SECTION 7. Candidates' contribution limitations. A candidate who signs a campaign contract shall make no contribution to his/her own campaign or political committee which in the aggregate exceeds ten percent of the applicable expenditure limit in any campaign year.

SECTION 8. Expenditure limitations. A. A candidate for county council who signs a campaign contract in accordance with Section 6 shall not, during the campaign year, make expenditures exceeding the aggregate amount of the annual salary of the office which the candidate is seeking, calculated for the year of the

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 election. A candidate for executive, or assessor who signs a campaign contract in accordance with Section 6 shall not, during the campaign year, make expenditures exceeding three times the aggregate amount of the annual salary of the office for which the candidate is seeking.

B. Independent expenditures, as defined by this chapter, shall not be included in the computation of a candidate's expenditures.

SECTION 9. Eligibility for public matching funds.

- A. To be eligible to receive public matching funds, a candidate for executive, county council, or assessor must meet the legal requirements of the office as established by statute or the county charter and,
  - 1. For the office of executive:
- a. Receive five hundred contributions of ten dollars or more during the campaign year, and
- b. Be opposed by a candidate who has qualified for public matching funds or who has raised, spent or has cash on hand of \$45,000 or more.
  - 2. For the office of the assessor:
- a. Receive five hundred contributions of ten dollars or more during the campaign year; and
- b. Be opposed by a candidate who has qualified for public matching funds or who has raised, spent or has cash on hand of \$30,000.
  - 3. For the office of county council:
- a. Receive two hundred contributions of ten dollars or more during the campaign year, and
- b. Be opposed by a candidate who has qualified for public matching funds or who has raised, spent or has cash on hand of \$10,000 or more.

 C. Candidates must submit evidence of meeting the eligibility requirements of this section to the director of the department of executive administration or his or her designee fo

county shall be counted toward the requirement.

B. For the purposes of establishing eligibility under this

section, only those contributions received from residents of the

verification. Upon verification of eligibility, a candidate who has signed a campaign contract shall be eligible to receive public matching funds; provided that any candidate who receives public matching funds and later fails to file for public office or withdraws his/her candidacy after filing, shall return to the appropriate county account any of the unexpended campaign funds up to the amount of the matching public funds disbursed to that candidate.

SECTION 10. Public matching funds - specifications.

- A. Effective with elections for county offices in 1991 a candidate who has met the eligibility requirements for public matching funds and who has signed a campaign contract shall be entitled to receive one dollar in public matching funds for ever one dollar received from any resident of King County during the campaign year to a maximum public match of fifty dollars per individual contributor. Neither loans nor the transfers of anything of value other than money to the candidate or his/her political committee shall be matched with public funds.
- B. A candidate who signs a campaign contract who otherwise is eligible to receive public matching funds shall be eligible until it is determined that such candidate has no opponent at th close of the filing period or after the primary election as provided by law. For purposes of this section, a write-in candidate shall not be considered an opponent.

C. If following the election wherein the candidate is elected or defeated, the candidate has unexpended campaign funds, one-half of such surplus but not to exceed the amount of public matching funds received, shall be returned to the appropriate county account within ten days of certification of the election.

D. A candidate who has signed a campaign contract may void his/her contract within fifteen days after the close of filing; provided, an opponent of that candidate does not enter into a campaign contract pursuant to this chapter and provided further, that the candidate returns all public funds received pursuant to this chapter.

SECTION 11. Payment of matching funds.

- A. There is hereby established in the county treasury a campaign matching fund account into which shall be deposited whatever sums the county may receive or allocate from time to time or during the annual budget process for campaign matching purposes.
- B. Candidates entitled to public matching funds shall be paid upon submission of vouchers which shall be approved by the director of executive administration or his or her designee.

SECTION 12. Permitted uses of public matching funds. Public matching funds may be expended only for the receiving candidate's direct campaign purposes such as, but not limited to, purchasing campaign literature or media space or time, mailings, renting campaign headquarters, or paying for campaign headquarters' telephones. All use of public matching funds for advertising expenditures including the costs of production, distribution and purchase of media space or air time, shall meet the requirements of the fair advertising definition. A candidate who signs a campaign contract may not use matching funds for indirect

 campaign purposes such as, but not limited to, providing a candidate's personal support or for donation to another's campaign. Permissibility of an expenditure of public matching funds shall be determined by the director of the department of executive administration or his or her designee.

SECTION 13. Penalties. The violation or failure to comply with the provisions of this ordinance shall constitute a civil violation for which a monetary fine of up to one thousand dollars shall be assessed. Each violation shall be a separate violation and shall be subject to the fine. An action seeking to establish the fact of a violation and imposition of a monetary fine under this section shall be commenced with the assistance of the county prosecuting attorney.

SECTION 14. Effective date.

- A. This ordinance shall become effective on January 1, 1990.
- B. After the general election of November 1993 the county council shall analyze the results of the elections under this ordinance and prior to May 1, 1994 shall either re-enact this ordinance with or without modifications or the provisions of this ordinance shall expire on May 1, 1994.

SECTION 15. Severability. Should any section, subsection, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, such

decision shall not affect the validity of the remaining portion
of this ordinance.
INTRODUCED AND READ for the first time this // day
of July, 1988.
of July, 1988.  PASSED this 22nd day of May, 1989.
KING COUNTY COUNCIL  KING COUNTY, WASHINGTON
Chairman
ATTEST:
Grath M. Quens Grath of the Council
APPROVED thisday of, 1989.
07. 6/2/89
King County Executive



#### King County Executive TIM HILL

400 King County Courthouse 516 Third Avenue Scattle, Washington 98104 (206) 296-4040

June 2, 1989

The Honorable Ron Sims, Chair King County Council Room 402 COURTHOUSE

RE: Ordinance 8970

I am returning Ordinance 8970 to the Council without my

I agree with the intent of the Ordinance, to encourage broad-based citizen involvement in the election process. I am, however, philosophically opposed to spending public tax money on political campaigns.

Sincerely,

Tim Hill

King County Executive

Attachment

cc: King County Councilmembers
ATTN: Cal Hoggard, Program Director

Jerry Peterson, Council Administrator

# HOUSE INITIATIVE 134 to the Washington State Legislature

Chapter 2, Laws of 1993

FAIR CAMPAIGN PRACTICES ACT

Approved by the

People of the State of Washington

in the General Election on

November 3, 1992

ORIGINALLY FILED

June 12, 1991

Secretary of State State of Washington

- 1 AN ACT Relating to the regulation of political contributions and
- 2 campaign expenditures; amending RCW 42.17.095, 42.17.125, 42.17.510,
- 3 41.04.230, 42.17.180, 42.17.390, and 42.17.240; adding new sections
- 4 to chapter 42.17 RCW; creating new sections; repealing RCW
- 5 42.17.243; and prescribing penalties.
- 6 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:
- 7 PART I
- 8 FINDINGS AND INTENT
- 9 <u>NEW SECTION.</u> **Sec. 1.** FINDINGS. The people of the state of Washington find and declare that:
- 11 (1) The financial strength of certain individuals or 12 organizations should not permit them to exercise a disproportionate 13 or controlling influence on the election of candidates.
- 14 (2) Rapidly increasing political campaign costs have led many 15 candidates to raise larger percentages of money from special 16 interests with a specific financial stake in matters before state

- government. This has caused the public perception that decisions of elected officials are being improperly influenced by monetary contributions.
- (3) Candidates are raising less money in small contributions from individuals and more money from special interests. This has created the public perception that individuals have an insignificant role to play in the political process.
- 8 <u>NEW SECTION.</u> **Sec. 2.** INTENT. By limiting campaign 9 contributions, the people intend to:
  - (1) Ensure that individuals and interest groups have fair and equal opportunity to influence elective and governmental processes;
- 12 (2) Reduce the influence of large organizational contributors; 13 and
- 14 (3) Restore public trust in governmental institutions and the 15 electoral process.

### 16 PART II 17 DEFINITIONS

- NEW SECTION. Sec. 3. DEFINITIONS. The definitions of RCW 42.17.020 apply to sections 4 through 19 of this act except as modified by this section. Unless the context clearly requires otherwise, the definitions in this section apply throughout sections 4 through 19 of this act.
- (1) "Authorized committee" means the political committee authorized by a candidate, or by the state official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or state official.
  - (2) "Bona fide political party" means:
- (a) An organization that has filed a valid certificate of nomination with the secretary of state under chapter 29.24 RCW; or
- (b) The governing body of the state organization of a major political party, as defined in RCW 29.01.090, which is the body authorized by the charter or bylaws of the party to exercise

authority on behalf of the state party; or

- (c) The county central committee or legislative district committee of a major political party.
- (3) "Candidate" means an individual seeking nomination for election or seeking election to a state office. An individual is deemed to be seeking nomination for election or seeking election when the individual first:
  - (a) Announces publicly or files for the office;
- (b) Purchases commercial advertising space or broadcast time to promote his or her candidacy;
- (c) Receives contributions or makes expenditures for facilities with intent to promote his or her candidacy for the office; or
- (d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (b) or (c) of this subsection.
- (4) "Caucus of the state legislature" means the caucus of members of a major political party in the state house of representatives or in the state senate.
- (5)(a) "Contribution" includes a loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or transfer of anything of value, including personal and professional services for less than full consideration.
- 24 (b) Subject to further definition by the commission, 25 "contribution" does not include the following:
  - (i) Interest on money deposited in a political committee's account;
    - (ii) Ordinary home hospitality;
    - (iii) A contribution received by a candidate or political committee that is returned to the contributor within five business days of the date on which it is received by the candidate or political committee;

33 (iv) An expenditure or contribution earmarked for voter 34 registration, for absentee ballot information, for precinct 35 caucuses, for get-out-the-vote campaigns, for precinct judges or inspectors, for sample ballots, or for ballot counting, all without promotion of or political advertising for individual candidates;

- (v) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, that is in a news medium controlled by a person whose primary business is that news medium, and that is not controlled by a candidate or political committee;
- (vi) An expenditure by a political committee for its own internal organization or fund raising without direct association with individual candidates;
- (vii) An internal political communication primarily limited to the contributors to a political party organization or political action committee, or the officers, management staff, and stockholders of a corporation or similar enterprise, or the members of a labor organization or other membership organization;
- (viii) The rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this section, means services or labor for which the individual is not compensated by any person and that are performed outside the individual's normal working hours; or
  - (ix) Legal or accounting services rendered to or on behalf of:
- (A) A political party or caucus of the state legislature if the person paying for the services is the regular employer of the person rendering such services; or
- (B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws.
- (c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution.

34 (d) Sums paid for tickets to fund-raising events such as 35 dinners and parties are contributions, except for the actual cost of the consumables furnished at the event.

- (e) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, or their agents, is considered to be a contribution to such candidate or political committee.
- (f) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising prepared by a candidate, a political committee, or its authorized agent, is considered to be a contribution to the candidate or political committee.
- (6) "Election" means a primary or a general or special election in which a candidate is on the ballot.
- (7) "Election cycle" means the period beginning on the first day of December after the date of the last previous general election for the office that the candidate seeks and ending on November 30th after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on November 30th after the special election.
- (8) "General election" means the election that results in the election of a person to a state office. It does not include a primary.
- (9) "Immediate family" means a candidates's spouse, and any child, stepchild, grandchild, parent, stepparent, grandparent, brother, half-brother, sister, or half-sister of the candidate and the spouse of any such person and any child, stepchild, grandchild, parent, stepparent, grandparent, brother, half-brother, sister, or half-sister of the candidate's spouse and the spouse of any such person.
- 31 (10) "Independent expenditure" means an "expenditure" as 32 defined in RCW 42.17.020 that has each of the following elements:
- 33 (a) It is made in support of or in opposition to a candidate 34 for office by a person who is not (i) a candidate for that office, 35 (ii) an authorized committee of that candidate for that office,

- (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for any political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office, or (iv) a person with whom the candidate has collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for any political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;
  - (b) The expenditure pays in whole or in part for any political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and
  - (c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of five hundred dollars or more. A series of expenditures, each of which is under five hundred dollars, constitutes one independent expenditure if their cumulative value is five hundred dollars or more.
  - (11)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family, or an association to which the individual belongs.
  - (b) A treasurer or a candidate is not an intermediary for purpose of the committee that the treasurer or candidate serves.
  - (c) A professional fund raiser is not an intermediary if the fund raiser is compensated for fund-raising services at the usual and customary rate.
- 29 (d) A volunteer hosting a fund-raising event at the 30 individual's home is not an intermediary for purposes of that event.
  - (12) "Person" includes:
  - (a) An individual;

- 33 (b) A partnership, limited partnership, public or private 34 corporation, or joint venture;
- 35 (c) A nonprofit corporation, organization, or association,

- including but not limited to, a national, state, or local labor union or collective bargaining organization and a national, state, or local trade or professional association;
- 4 (d) A federal, state, or local governmental entity or agency, bowever constituted;
  - (e) A candidate, committee, political committee, bona fide political party, or executive committee thereof; and
  - (f) Any other organization or group of persons, however organized.
    - (13) "Primary" means the procedure for nominating a candidate to state office under chapter 29.18 or 29.21 RCW or any other primary for an election which uses, in large measure, the procedures established in chapter 29.18 or 29.21 RCW.
    - (14) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29.82.015 and ending thirty days after the recall election.
    - (15) "State legislative office" means the office of a member of the state house of representatives and the office of a member of the state senate.
    - (16) "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.
- 25 (17) "State official" means a person who holds a state office.

## 26 PART III 27 CONTRIBUTIONS

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NEW SECTION. Sec. 4. CAMPAIGN CONTRIBUTION LIMITS. (1) No person, other than a bona fide political party or a caucus of the state legislature, may make contributions to a candidate for a state legislative office that in the aggregate exceed five hundred dollars or to a candidate for a state office other than a state legislative office that in the aggregate exceed one thousand dollars for each

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election in which the candidate is on the ballot or appears as a write-in candidate. Contributions made with respect to a primary may not be made after the date of the primary. Contributions made with respect to a general election may not be made after the final day of the applicable election cycle.

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- (2) No person, other than a bona fide political party or a caucus of the state legislature, may make contributions to a state official against whom recall charges have been filed, or to a political committee having the expectation of making expenditures in support of the recall of the state official, during a recall campaign that in the aggregate exceed five hundred dollars if for a state legislative office or one thousand dollars if for a state office other than a state legislative office.
- (3) (a) Notwithstanding subsection (1) of this section, no bona fide political party or caucus of the state legislature may make contributions to a candidate during an election cycle that in the aggregate exceed (i) fifty cents multiplied by the number of eligible registered voters in the jurisdiction from which the candidate is elected if the contributor is a caucus of the state legislature or the governing body of a state organization, or (ii) twenty-five cents multiplied by the number of registered voters in the jurisdiction from which the candidate is elected if the contributor is a county central committee or a legislative district committee.
- (b) No candidate may accept contributions from a county central committee or a legislative district committee during an election cycle that when combined with contributions from other county central committees or legislative district committees would in the aggregate exceed twenty-five cents times the number of registered voters in the jurisdiction from which the candidate is elected.
- (4)(a) Notwithstanding subsection (2) of this section, no bona fide political party or caucus of the state legislature may make contributions to a state official against whom recall charges have been filed, or to a political committee having the expectation of making expenditures in support of the state official, during a

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recall campaign that in the aggregate exceed (i) fifty cents multiplied by the number of eligible registered voters in the jurisdiction entitled to recall the state official if contributor is a caucus of the state legislature of the governing body of a state organization, or (ii) twenty-five cents multiplied by the number of registered voters in the jurisdiction from which the candidate is elected if the contributor is a county central committee or a legislative district committee.

- (b) No state official against whom recall charges have been filed, no authorized committee of the official, and no political committee having the expectation of making expenditures in support of the recall of a state official may accept contributions from a county central committee or a legislative district committee or a legislative district committee during an election cycle that when combined with contributions from other county central committees or legislative district committees would in the aggregate exceed twenty-five cents multiplied by the number of registered voters in the jurisdiction from which the candidate is elected.
- (5) Notwithstanding subsections (1) through (4) of this section, no person other than an individual, bona fide political party, or caucus of the state legislature may make contributions reportable under this chapter to a caucus of the state legislature that in the aggregate exceed five hundred dollars in a calendar year or to a bona fide political party that in the aggregate exceed two thousand five hundred dollars in a calendar year. This subsection does not apply to loans made in the ordinary course of business.
- (6) For the purposes of sections 4 through 19 of this act, a contribution to the authorized political committee of a candidate, or of a state official against whom recall charges have been filed, is considered to be a contribution to the candidate or state official.
- (7) A contribution received within the twelve-month period after a recall election concerning a state office is considered to be a contribution during that recall campaign if the contribution is used to pay a debt or obligation incurred to influence the outcome

of that recall campaign.

- (8) The contributions allowed by subsection (2) of this section are in addition to those allowed by subsection (1) of this section, and the contributions allowed by subsection (4) of this section are in addition to those allowed by subsection (3) of this section.
- (9) Sections 4 through 19 of this act apply to a special election conducted to fill a vacancy in a state office. However, the contributions made to a candidate or received by a candidate for a primary or special election conducted to fill such a vacancy shall not be counted toward any of the limitations that apply to the candidate or to contributions made to the candidate for any other primary or election.
- (10) Notwithstanding the other subsections of this section, no corporation or business entity not doing business in Washington state, no labor union with fewer than ten members who reside in Washington state, and no political committee that has not received contributions of ten dollars or more from at least ten persons registered to vote in Washington state during the preceding one hundred eighty days may make contributions reportable under this chapter to a candidate, to a state official against whom recall charges have been filed, or to a political committee having the expectation of making expenditures in support of the recall of the official. This subsection does not apply to loans made in the ordinary course of business.
- (11) Notwithstanding the other subsections of this section, no county central committee or legislative district committee may make contributions reportable under this chapter to a candidate, state official against whom recall charges have been filed, or political committee having the expectation of making expenditures in support of the recall of a state official if the county central committee or legislative district committee is outside of the jurisdiction entitled to elect the candidate or recall the state official.
- (12) No person may accept contributions that exceed the contribution limitations provided in this section.

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NEW SECTION. Sec. 5. ATTRIBUTION AND AGGREGATION OF FAMILY CONTRIBUTIONS. (1) Contributions by a husband and wife are considered separate contributions.

- (2) Contributions by unemancipated children under eighteen years of age are considered contributions by their parents and are attributed proportionately to each parent. Fifty percent of the contributions are attributed to each parent or, in the case of a single custodial parent, the total amount is attributed to the parent.
- 10 <u>NEW SECTION.</u> **Sec. 6.** ATTRIBUTION OF CONTRIBUTIONS BY 11 CONTROLLED ENTITIES. For purposes of this chapter:
  - (1) A contribution by a political committee with funds that have all been contributed by one person who exercises exclusive control over the distribution of the funds of the political committee is a contribution by the controlling person.
  - (2) Two or more entities are treated as a single entity if one of the two or more entities is a subsidiary, branch, or department of a corporation or a local unit, branch, or affiliate of a trade association, labor union, or collective bargaining association. All contributions made by a person or political committee whose contribution or expenditure activity is financed, maintained, or controlled by a trade association, labor union, collective bargaining organization, or the local unit of a trade association, labor union, or collective bargaining organization are considered made by the same person or entity.
  - NEW SECTION. Sec. 7. ATTRIBUTION OF CONTRIBUTIONS. All contributions made by a person or entity, either directly or indirectly, to a candidate, to a state official against whom recall charges have been filed, or to a political committee, are considered to be contributions from that person or entity to the candidate, state official, or political committee, as are contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate, state official, or

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- 1 political committee. For the purposes of this section, "earmarked" 2 means a designation, instruction, or encumbrance, whether direct or indirect, expressed or implied, or oral or written, that is intended 3 to result in or does result in all or any part of a contribution 4 being made to a certain candidate or state official. If a conduit 5 6 or intermediary exercises any direction or control over the choice 7 of the recipient candidate or state official, the contribution is 8 considered to be by both the original contributor and the conduit or 9 intermediary.
- 10 NEW SECTION. Sec. 8. LIMITATIONS ON EMPLOYERS OR LABOR 11 ORGANIZATIONS. (1) No employer or labor organization may increase the salary of an officer or employee, or give an emolument to an 12 13 officer, employee, or other person or entity, with the intention that the increase in salary, or the emolument, or a part of it, be 1415 contributed or spent to support or oppose a candidate, state 16 official against whom recall charges have been filed, political 17 party, or political committee.

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- (2) No employer or labor organization may discriminate against an officer or employee in the terms or conditions of employment for (a) the failure to contribute to, (b) the failure in any way to support or oppose, or (c) in any way supporting or opposing a candidate, ballot proposition, political party, or political committee.
- (3) No employer or other person or entity responsible for the disbursement of funds in payment of wages or salaries may withhold or divert a portion of an employee's wages or salaries for contributions to political committees or for use as political contributions except upon the written request of the employee. The request must be made on a form prescribed by the commission informing the employee of the prohibition against employer and labor organization discrimination described in subsection (2) of this section. The request is valid for no more than twelve months from the date it is made by the employee.
  - (4) Each person or entity who withholds contributions under

12 134.SL

- subsection (3) of this section shall maintain open for public inspection for a period of no less than three years, during normal business hours, documents and books of accounts that shall include a copy of each employee's request, the amounts and dates funds were actually withheld, and the amounts and dates funds were transferred to a political committee. Copies of such information shall be delivered to the commission upon request.
- NEW SECTION. Sec. 9. 8 CHANGING MONETARY LIMITS. 9 beginning of each even-numbered calendar year, the commission shall 10 increase or decrease all dollar amounts in this chapter based on 11 changes in economic conditions as reflected in the inflationary 12 index used by the commission under RCW 42.17.370. The new dollar 13 amounts established by the commission under this section shall be rounded off by the commission to amounts as judged most convenient 14 15 for public understanding and so as to be within ten percent of the 16 target amount equal to the base amount provided in this chapter 17 multiplied by the increase in the inflationary index since the effective date of this act. 18
- 19 NEW SECTION. Sec. 10. CONTRIBUTIONS FROM BEFORE EFFECTIVE 20 DATE OF ACT. Contributions made and received before the effective 21 date of this act are considered to be contributions under sections 22 4 through 19 of this act. Monetary contributions that exceed the 23 contribution limitations and that have not been spent by the 24 recipient of the contribution by the effective date of this act must 25 be disposed of in accordance with RCW 42.17.095.

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NEW SECTION. Sec. 11. TIME LIMIT FOR STATE OFFICIAL TO SOLICIT OR ACCEPT CONTRIBUTIONS. During the period beginning on the thirtieth day before the date a regular legislative session convenes and continuing thirty days past the date of final adjournment, and during the period beginning on the date a special legislative session convenes and continuing through the date that session adjourns, no state official or a person employed by or acting on

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- 1 behalf of a state official or state legislator may solicit or accept
- 2 contributions to a public office fund, to a candidate or authorized
- 3 committee, or to retire a campaign debt.
- 4 <u>NEW SECTION.</u> **Sec. 12.** RESTRICTION ON LOANS. (1) A loan is
- 5 considered to be a contribution from the maker and the quarantor of
- 6 the loan and is subject to the contribution limitations of this
- 7 chapter.

- 8 (2) A loan to a candidate or the candidate committee must be by 9 written agreement.
  - (3) The proceeds of a loan made to a candidate:
  - (a) By a commercial lending institution;
- 12 (b) Made in the regular course of business;
- 13 (c) On the same terms ordinarily available to members of the
- 14 public; and
- 15 (d) That is secured or guaranteed,
- 16 are not subject to the contribution limits of this chapter.
- 17 <u>NEW SECTION.</u> **Sec. 13.** CONTRIBUTIONS ON BEHALF OF ANOTHER.
- 18 (1) A person, other than an individual, may not be an intermediary
- 19 or an agent for a contribution.
- 20 (2) An individual may not make a contribution on behalf of
- 21 another person or entity, or while acting as the intermediary or
- 22 agent of another person or entity, without disclosing to the
- 23 recipient of the contribution both his or her full name, street
- 24 address, occupation, name of employer, if any, or place of business
- 25 if self-employed, and the same information for each contributor for
- 26 whom the individual serves as intermediary or agent.
- 27 <u>NEW SECTION.</u> Sec. 14. CERTAIN CONTRIBUTIONS REQUIRED TO BE BY
- 28 WRITTEN INSTRUMENT. (1) An individual may not make a contribution
- 29 of more than fifty dollars, other than an in-kind contribution,
- 30 except by a written instrument containing the name of the donor and
- 31 the name of the payee.
- 32 (2) A committee may not make a contribution, other than in-

- 1 kind, except by a written instrument containing the name of the
- 2 donor and the name of the payee.
- NEW SECTION. Sec. 15. SOLICITATION OF CONTRIBUTIONS BY
  GOVERNMENT EMPLOYEES. (1) No state official or state official's
  agent may knowingly solicit, directly or indirectly, a contribution
  from an employee in the state official's agency.
  - (2) No state official or state employee may provide an advantage or disadvantage to an employee or applicant for employment in the classified civil service concerning the applicant's or employee's:
- 11 (a) Employment;

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- (b) Conditions of employment; or
- 13 (c) Application for employment,
- 14 based on the employee's or applicant's contribution or promise to
- 15 contribute or failure to make a contribution or contribute to a
- 16 political party or committee.
- 17 <u>NEW SECTION.</u> **Sec. 16.** AGENCY SHOP FEES AS CONTRIBUTIONS. A
- 18 labor organization may not use agency shop fees paid by an
- 19 individual who is not a member of the organization to make
- 20 contributions or expenditures to influence an election or to operate
- 21 a political committee, unless affirmatively authorized by the
- 22 individual.
- NEW SECTION. Sec. 17. SOLICITATION FOR ENDORSEMENT FEES. A
- 24 person or entity may not solicit from a candidate, committee,
- 25 political party, or other person or entity money or other property
- 26 as a condition or consideration for an endorsement, article, or
- 27 other communication in the news media promoting or opposing a
- 28 candidate, committee, or political party.
- 29 <u>NEW SECTION.</u> **Sec. 18.** REIMBURSEMENT FOR CONTRIBUTIONS. A
- 30 person or entity may not, directly or indirectly, reimburse another
- 31 person or entity for a contribution to a candidate, committee, or



1 political party.

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- 2 NEW SECTION. Sec. 19. PROHIBITION ON USE OF CONTRIBUTIONS FOR 3 A DIFFERENT OFFICE. (1) Except as provided in subsection (2) of this section, a candidate committee may not use or permit the use of 4 contributions solicited for or received by the candidate committee 5 6 to further the candidacy of the individual for an office other than 7 the office designated on the statement of organization. Α contribution solicited for or received on behalf of the candidate is 8 9 considered solicited or received for the candidacy for which the individual is then a candidate if the contribution is solicited or 10 11 received before the general elections for which the candidate is a 12 nominee or is unopposed.
  - (2) With the written approval of the contributor, a candidate committee may use or permit the use of contributions solicited for or received by the candidate committee from that contributor to further the candidacy of the individual for an office other than the office designated on the statement of organization.
- 18 Sec. 20. TRANSFER OF FUNDS--USE OF FUNDS FOR OTHER OFFICE 19 ELIMINATED. RCW 42.17.095 and 1982 c 147 s 8 are each amended to 20 read as follows:
  - The surplus funds of a candidate, or of a political committee supporting or opposing a candidate, may only be disposed of in any one or more of the following ways:
  - (1) Return the surplus to a contributor in an amount not to exceed that contributor's original contribution;
  - (2) Transfer the surplus to the candidate's personal account as reimbursement for lost earnings incurred as a result of that candidate's election campaign. Such lost earnings shall be verifiable as unpaid salary or, when the candidate is not salaried, as an amount not to exceed income received by the candidate for services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the candidate or the candidate's political

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- committee. The committee shall include a copy of such record when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090;
- 4 (3) Transfer the surplus to ((one or more candidates or to)) a
  5 political ((committee or)) party or to a caucus of the state
  6 legislature;

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- (4) Donate the surplus to a charitable organization registered in accordance with chapter 19.09 RCW;
- (5) Transmit the surplus to the state treasurer for deposit in the general fund; or
- (6) Hold the surplus in the campaign depository or depositories 11 12 designated in accordance with RCW 42.17.050 for possible use in a 13 future election campaign((, for political activity, for community activity, or for nonreimbursed public office related expenses)) for 14 15 the same office last sought by the candidate and report any such disposition in accordance with RCW 42.17.090: PROVIDED, That if the 16 candidate subsequently announces or publicly files for office, 17 information as appropriate is reported to the commission in 18 accordance with RCW 42.17.040 through 42.17.090. 19 If a subsequent 20 office is not sought the surplus held shall be disposed of in accordance with the requirements of this section. 21
- 22 (7) No candidate or authorized committee may transfer funds to 23 any other candidate or other political committee.
- Sec. 21. CANDIDATE PERSONAL FUND LOANS LIMITED. RCW 42.17.125 and 1989 c 280 s 12 are each amended to read as follows:
  - Contributions received and reported in accordance with RCW 42.17.060 through 42.17.090 may only be transferred to the personal account of a candidate, or of a treasurer or other individual or expended for such individual's personal use under the following circumstances:
- 31 (1) Reimbursement for or loans to cover lost earnings incurred 32 as a result of campaigning or services performed for the committee. 33 Such lost earnings shall be verifiable as unpaid salary, or when the 34 individual is not salaried, as an amount not to exceed income

- received by the individual for services rendered during an 1 appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the individual or the individual's political committee. The committee shall include a copy of such record when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.
  - (2) Reimbursement for direct out-of-pocket election campaign and postelection campaign related expenses made by the individual. To receive reimbursement from the political committee, individual shall provide the committee with written documentation as to the amount, date, and description of each expense, and the committee shall include a copy of such information when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.
  - (3) Repayment of loans made by the individual to political committees, which repayment shall be reported pursuant to RCW 42.17.090. However, contributions may not be used to reimburse a candidate for loans totaling more than three thousand dollars made by the candidate to the candidate's own authorized committee or campaign.

21 PART IV 22 INDEPENDENT EXPENDITURES

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Sec. 22. INDEPENDENT EXPENDITURE ADVERTISING DISCLOSURE. RCW 42.17.510 and 1984 c 216 s 1 are each amended to read as follows:

- (1) All written political advertising, whether relating to candidates or ballot propositions, shall include the sponsor's name and address. All radio and television political advertising, whether relating to candidates or ballot propositions, shall include the sponsor's name. The use of an assumed name shall be unlawful. The party with which a candidate files shall be clearly identified in political advertising for partisan office.
- 32 (2) In addition to the materials required by subsection (1) of this section, all political advertising undertaken as an independent 33



- 1 expenditure by a person or entity other than a party organization
- 2 <u>must include the following statement on the communication "NOTICE TO</u>
- 3 <u>VOTERS (Required by law): This advertisement is not authorized or</u>
- 4 approved by any candidate. It is paid for by (name, address, city,
- 5 state)." If the advertisement is undertaken by a nonindividual,
- 6 then the following notation must also be included: "Top Five
- 7 Contributors, " followed by a listing of the names of the five
- 8 persons or entities making the largest contributions reportable
- 9 under this chapter during the twelve-month period before the date of
- 10 <u>the advertisement.</u>

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- (3) The statements and listings of contributors required by subsections (1) and (2) of this section shall:
- (a) Appear on each page or fold of the written communication in at least ten-point type, or in type at least ten percent of the largest size type used in a written communication directed at more than one voter, such as a billboard or poster, whichever is larger;
  - (b) Not be subject to the half-tone or screening process;
- 18 <u>(c) Be in a printed or drawn box set apart from any other</u>
  19 printed matter; and
  - (d) Be clearly spoken on any broadcast advertisement.
  - (4) Political yard signs are exempt from the requirement of subsections (1) and (2) of this section that the name and address of the sponsor of political advertising be listed on the advertising. In addition, the public disclosure commission shall, by rule, exempt from the identification requirements of subsections (1) and (2) of this section forms of political advertising such as campaign buttons, balloons, pens, pencils, sky-writing, inscriptions, and other forms of advertising where identification is impractical.
- 29 ((<del>(3)</del>)) <u>(5)</u> For the purposes of this section, "yard sign" means 30 any outdoor sign with dimensions no greater than eight feet by four 31 feet.
- NEW SECTION. Sec. 23. INDEPENDENT EXPENDITURE DISCLOSURE. A person or entity other than a party organization making an independent expenditure by mailing one thousand or more identical or

- nearly identical cumulative pieces of political advertising in a 1 single calendar year shall, within two working days after the date 2 3 of the mailing, file a statement disclosing the number of pieces in the mailing and an example of the mailed political advertising with 4 5 the election officer of the county or residence for the candidate 6 supported or opposed by the independent campaign expenditure or, in 7 the case of an expenditure made in support of or in opposition to a ballot proposition, the county of residence for the person making 8 9 the expenditure.
- 10 PART V

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#### 11 USE OF PUBLIC FUNDS OR OFFICE FOR POLITICAL PURPOSES

- NEW SECTION. Sec. 24. Public funds, whether derived through taxes, fees, penalties, or any other sources, shall not be used to finance political campaigns for state or local office.
- 15 NEW SECTION. Sec. 25. FRANKING PRIVILEGE LIMITED. During the 16 twelve-month period preceding the expiration of a state legislator's term in office, no incumbent to that office may mail to a 17 constituent at public expense a letter, newsletter, brochure, or 18 19 other piece of literature that is not in direct response to that 20 constituent's request for a response or for information. one mailing mailed within thirty days after the start of a regular 21 22 legislative session and one mailing mailed within sixty days after 23 the end of a regular legislative session of identical newsletters to 24 constituents are permitted. A violation of this section constitutes 25 use of the facilities of a public office for the purpose of assisting a campaign under RCW 42.17.130. 26
  - The house of representatives and senate shall specifically limit expenditures per member for the total cost of mailings, including but not limited to production costs, printing costs, and postage.
- 31 Sec. 26. STATE PAYROLL POLITICAL CHECK-OFF ELIMINATED. RCW

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41.04.230 and 1988 c 107 s 19 are each amended to read as follows:

Any official of the state authorized to disburse funds in payment of salaries and wages of public officers or employees is authorized, upon written request of the officer or employee, to deduct from the salaries or wages of the officers or employees, the amount or amounts of subscription payments, premiums, contributions, or continuation thereof, for payment of the following:

- (1) Credit union deductions: PROVIDED, That the credit union is organized solely for public employees: AND PROVIDED FURTHER, That twenty-five or more employees of a single state agency or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same credit union.
- (2) Parking fee deductions: PROVIDED, That payment is made for parking facilities furnished by the agency or by the department of general administration.
- (3) U.S. savings bond deductions: PROVIDED, That a person within the particular agency shall be appointed to act as trustee. The trustee will receive all contributions; purchase and deliver all bond certificates; and keep such records and furnish such bond or security as will render full accountability for all bond contributions.
- (4) Board, lodging or uniform deductions when such board, lodging and uniforms are furnished by the state, or deductions for academic tuitions or fees or scholarship contributions payable to the employing institution.
- (5) Dues and other fees deductions: PROVIDED, That the deduction is for payment of membership dues to any professional organization formed primarily for public employees or college and university professors: AND PROVIDED, FURTHER, That twenty-five or more employees of a single state agency, or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same professional organization.
- (6) Labor or employee organization dues may be deducted in the event that a payroll deduction is not provided under a collective



- bargaining agreement under the provisions of RCW 41.06.150: PROVIDED, That twenty-five or more officers or employees of a single agency, or a total of one hundred or more officers or employees of several agencies have authorized such a deduction for payment to the same labor or employee organization: PROVIDED, FURTHER, That labor or employee organizations with five hundred or more members in state government may have payroll deduction for employee benefit programs.
  - (7) ((Voluntary deductions for political committees duly registered with the public disclosure commission and/or the federal election commission: PROVIDED, That twenty five or more officers or employees of a single agency or a total of one hundred or more officers or employees of several agencies have authorized such a deduction for payment to the same political committee.
  - (8))) Insurance contributions to the authority for payment of premiums under contracts authorized by the state health care authority.

Deductions from salaries and wages of public officers and employees other than those enumerated in this section or by other law, may be authorized by the director of financial management for purposes clearly related to state employment or goals and objectives of the agency and for plans authorized by the state health care authority.

The authority to make deductions from the salaries and wages of public officers and employees as provided for in this section shall be in addition to such other authority as may be provided by law: PROVIDED, That the state or any department, division, or separate agency of the state shall not be liable to any insurance carrier or contractor for the failure to make or transmit any such deduction.

29 PART VI

#### POLITICAL EXPENDITURE AND CONTRIBUTION REPORTING

- 31 Sec. 27. INDEPENDENT EXPENDITURE ANNUAL REPORTING. RCW 32 42.17.180 and 1990 c 139 s 4 are each amended to read as follows:
- 33 (1) Every employer of a lobbyist registered under this chapter

during the preceding calendar year <u>and every person other than an</u> individual that made contributions aggregating to more than ten thousand dollars or independent expenditures aggregating to more than five hundred dollars during the preceding calendar year shall file with the commission on or before ((March 31st)) the last day of February of each year a statement disclosing for the preceding calendar year the following information:

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- (a) The name of each state elected official and the name of each candidate for state office who was elected to the office and any member of the immediate family of those persons to whom the ((employer)) person reporting has paid any compensation in the amount of five hundred dollars or more during the preceding calendar year for personal employment or professional services, including professional services rendered by a corporation, partnership, joint venture, association, union, or other entity in which the person holds any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more, the value of the compensation in accordance with the reporting provisions set out in RCW 42.17.241(2), and the consideration given or performed in exchange for the compensation.
- The name of each state elected official, successful candidate for state office, or members of his immediate family to whom the ((lobbyist employer)) person reporting made expenditures, directly or indirectly, either through a lobbyist or otherwise, the amount of the expenditures and the purpose for the expenditures. For the purposes of this subsection, the term expenditure shall not include any expenditure made by the employer in the ordinary course of business if the expenditure is not made for the purpose of influencing, honoring, or benefiting the elected official, successful candidate, or member of his immediate family, as an elected official or candidate.
- (c) The total expenditures made by the ((employer)) person reporting for lobbying purposes, whether through or on behalf of a registered lobbyist or otherwise.
- (d) All contributions made to a ((candidate for state office,

to a)) political committee supporting or opposing a candidate for state office, or to a political committee supporting or opposing a state-wide ballot proposition. Such contributions shall be identified by the name and the address of the recipient and the aggregate amount contributed to each such recipient.

- (e) The name and address of each registered lobbyist employed by the ((employer)) person reporting and the total expenditures made by ((the employer)) such person for each such lobbyist for lobbying purposes.
- (f) The names, offices sought, and party affiliations of candidates for state offices supported or opposed by independent expenditures of the person reporting and the amount of each such expenditure.
- (g) The identifying proposition number and a brief description of any state-wide ballot proposition supported or opposed by expenditures not reported under (d) of this subsection and the amount of each such expenditure.
- (h) Such other information as the commission prescribes by rule.
- (2)(a) Except as provided in (b) of this subsection, an employer of a lobbyist registered under this chapter shall file a special report with the commission if the employer makes a contribution or contributions aggregating more than one hundred dollars in a calendar month to any one of the following: A candidate, elected official, officer or employee of an agency, or political committee. The report shall identify the date and amount of each such contribution and the name of the candidate, elected official, agency officer or employee, or political committee receiving the contribution or to be benefited by the contribution. The report shall be filed on a form prescribed by the commission and shall be filed within fifteen days after the last day of the calendar month during which the contribution was made.
- (b) The provisions of (a) of this subsection do not apply to a contribution which is made through a registered lobbyist and reportable under RCW 42.17.170.

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1	PART VII
2	PENALTIES

3 Sec. 28. PENALTIES. RCW 42.17.390 and 1973 c 1 s 39 are each 4 amended to read as follows:

 $((\frac{1}{1}))$  One or more of the following civil remedies and sanctions may be imposed by court order in addition to any other remedies provided by law:

((\(\frac{(a)}{a}\))) (1) If the court finds that the violation of any provision of this chapter by any candidate or political committee probably affected the outcome of any election, the result of said election may be held void and a special election held within sixty days of such finding. Any action to void an election shall be commenced within one year of the date of the election in question. It is intended that this remedy be imposed freely in all appropriate cases to protect the right of the electorate to an informed and knowledgeable vote.

((<del>(b)</del>)) <u>(2)</u> If any lobbyist or sponsor of any grass roots lobbying campaign violates any of the provisions of this chapter, his registration may be revoked or suspended and he may be enjoined from receiving compensation or making expenditures for lobbying: PROVIDED, HOWEVER, That imposition of such sanction shall not excuse said lobbyist from filing statements and reports required by this chapter.

((\(\frac{(c)}{(c)}\)) (3) Any person who violates any of the provisions of this chapter may be subject to a civil penalty of not more than ten thousand dollars for each such violation. However, a person or entity who violates section 4 of this act may be subject to a civil penalty of ten thousand dollars or three times the amount of the contribution illegally made or accepted, whichever is greater.

 $((\frac{d}{d}))$  Any person who fails to file a properly completed statement or report within the time required by this chapter may be subject to a civil penalty of ten dollars per day for each day each such delinquency continues.

 $((\frac{1}{2}))$  (5) Any person who fails to report a contribution or

expenditure may be subject to a civil penalty equivalent to the amount he failed to report.

(((f))) (6) The court may enjoin any person to prevent the doing of any act herein prohibited, or to compel the performance of any act required herein.

6 PART VIII

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#### PUBLIC DISCLOSURE COMMISSION

- NEW SECTION. Sec. 29. COMMISSION AUDITS. The commission shall conduct a sufficient number of audits and field investigations so as to provide a statistically valid finding regarding the degree of compliance with the provisions of this chapter by all required filers.
- 13 PART IX
  14 GIFTS
- NEW SECTION. Sec. 30. DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
  - (1) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.
  - (2) "Gift" means a rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, reimbursements from or payments by persons, other than the state of Washington or an agency or political subdivision thereof, for travel or anything else of value in excess of fifty dollars in return for which legal consideration of equal or greater value is not given and received but does not include:
- 28 (a) A contribution that is required to be reported under RCW 29 42.17.090 or 42.17.243;
- 30 (b) Informational material that is transferred for the purpose 31 of informing the recipient about matters pertaining to official

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- agency business, and that is not intended to financially benefit that recipient;
- 3 (c) A symbolic presentation that is not intended to financially 4 benefit the recipient;
  - (d) An honorarium that is required to be reported under this chapter;
- 7 (e) Hosting in the form of entertainment, meals, or 8 refreshments, the value of which does not exceed fifty dollars, 9 furnished in connection with official appearances, official 10 ceremonies, and occasions where official agency business is 11 discussed:
- (f) Gifts that are not used and that, within thirty days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;
  - (g) Intrafamily gifts; or

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- 17 (h) Gifts received in the normal course of private business or 18 social interaction that are not related to public policy decisions 19 or agency actions.
- 20 **Sec. 31.** PUBLIC OFFICIAL ANNUAL REPORTING OF "GIFTS." RCW 21 42.17.240 and 1989 c 158 s 1 are each amended to read as follows:
  - (1) Every elected official and every executive state officer shall after January 1st and before April 15th of each year file with the commission a statement of financial affairs for the preceding calendar year. However, any local elected official whose term of office expires immediately after December 31st shall file the statement required to be filed by this section for the year that ended on that December 31st. In addition to and in conjunction with the statement of financial affairs, every official and officer shall file a statement describing any gifts received during the preceding calendar year.
- 32 (2) Every candidate shall within two weeks of becoming a 33 candidate file with the commission a statement of financial affairs 34 for the preceding twelve months.

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- (3) Every person appointed to a vacancy in an elective office or executive state officer position shall within two weeks of being so appointed file with the commission a statement of financial affairs for the preceding twelve months.
- (4) A statement of a candidate or appointee filed during the period from January 1st to April 15th shall cover the period from January 1st of the preceding calendar year to the time of candidacy or appointment if the filing of the statement would relieve the individual of a prior obligation to file a statement covering the entire preceding calendar year.
- (5) No individual may be required to file more than once in any calendar year.
  - (6) Each statement of financial affairs filed under this section shall be sworn as to its truth and accuracy.
- (7) For the purposes of this section, the term "executive state officer" includes those listed in RCW 42.17.2401.
- 17 (8) This section does not apply to incumbents or candidates for 18 a federal office or the office of precinct committee officer.
- NEW SECTION. Sec. 32. LOBBYIST NOTIFICATION OF GIFTS. When a listing or a report of contributions is made to the commission under RCW 42.17.170(2)(c), a copy of the listing or report must be given to the candidate, elected official, professional staff member of the legislature, or officer or employee of an agency, or a political committee supporting or opposing a ballot proposition named in the listing or report.

# 26 PART X 27 MISCELLANEOUS

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- NEW SECTION. Sec. 33. CODIFICATION DIRECTIONS. (1) Sections
  1 through 19 of this act are each added to chapter 42.17 RCW as a
  subchapter and codified with the subchapter heading of "CAMPAIGN
  CONTRIBUTION LIMITATIONS."
- 32 (2) Sections 23 through 25, 29, 30, and 32 of this act are each

- 1 added to chapter 42.17 RCW.
- 2 <u>NEW SECTION.</u> Sec. 34. CAPTIONS. Section captions and part
- 3 headings used in this act do not constitute any part of the law.
- 4 NEW SECTION. Sec. 35. REPEALER. RCW 42.17.243 and 1977 ex.s.
- 5 c 336 s 5 are each repealed.
- 6 <u>NEW SECTION.</u> **Sec. 36.** SHORT TITLE. This act may be known and
- 7 cited as the Fair Campaign Practices Act.

Originally filed in Office of Secretary of State June 12, 1991. Approved by the People of the State of Washington in the General Election on November 3, 1992.

## CERTIFICATION OF ENROLLMENT

## ENGROSSED SECOND SUBSTITUTE SENATE BILL 5278

60th Legislature 2008 Regular Session

Passed by the Senate February 13, 2008 YEAS 29 NAYS 20	CERTIFICATE			
	I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that			
President of the Senate	the attached is <b>ENGROSSED SECOND SUBSTITUTE SENATE BILL 5278</b> as			
Passed by the House March 4, 2008 YEAS 51 NAYS 43	passed by the Senate and the House of Representatives on the dates hereon set forth.			
Speaker of the House of Representatives	Secretary			
Approved	FILED			
	Secretary of State State of Washington			
Governor of the State of Washington				

#### ENGROSSED SECOND SUBSTITUTE SENATE BILL 5278

Passed Legislature - 2008 Regular Session

State of Washington

60th Legislature

2008 Regular Session

By Senate Government Operations & Elections (originally sponsored by Senators Franklin, Kastama, Kline, Spanel, Keiser, Kohl-Welles, McAuliffe, Regala, Pridemore, Poulsen, Fraser, Rasmussen, and Rockefeller)

READ FIRST TIME 01/22/08.

- AN ACT Relating to use of public funds for political purposes; and amending RCW 42.17.128.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 42.17.128 and 1993 c 2 s 24 are each amended to read 5 as follows:
- Public funds, whether derived through taxes, fees, penalties, or any other sources, shall not be used to finance political campaigns for
- 8 state ((or local)) or school district office. A county, city, town, or
- 9 district that establishes a program to publicly finance local political
- 10 campaigns may only use funds derived from local sources to fund the
- 11 program. A local government must submit any proposal for public
- 12 financing of local political campaigns to voters for their adoption and
- 13 approval or rejection.

--- END ---



## KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

# Signature Report

May 12, 2008

### **Motion 12734**

**Proposed No.** 2007-0430.3 **Sponsors** Ferguson, Constantine and Phillips

1 A MOTION expressing the intent of the council to research 2 the subject of campaign financing.

WHEREAS, increasing amounts of money are being spent nationwide each year on election campaigns, and

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WHEREAS, many elected officials and candidates for elective office are therefore finding it necessary to spend increasing amounts of time on fundraising and less time interacting with voters and engaging in a vigorous public debate about the issues of the day, and

WHEREAS, the increasing dependence of election campaigns on large financial contributions has reduced public trust in government by, at a minimum, creating the perception that wealthier citizens and groups hold a disproportionate influence over elected officials and candidates for office and, therefore, on public policy, and

WHEREAS, the current campaign finance system discourages competition for office by providing an advantage to incumbents and experienced fundraisers, and

16	WHEREAS, the current campaign finance system thereby presents ongoing
17	barriers to effective political participation by those who lack significant disposable
18	income or the ability to raise large sums of money, and
19	WHEREAS, public financing would recast the political campaign as a debate
20	about ideas and experience rather than fundraising ability, and
21	WHEREAS, public financing would promote broader participation in civic life by
22	reducing the barriers to running for public office or meaningfully participating in politics,
23	and
24	WHEREAS, public financing would not infringe upon the First Amendment
25	protection of free speech because acceptance of public funds would be voluntary and
26	candidates could choose not to receive public funds, and
27	WHEREAS, seven states and two major cities have instituted systems for public
28	financing of some of their elections, and
29	WHEREAS, bills have been introduced in the United States House of
30	Representatives and the United States Senate to provide full public financing for
31	congressional elections;
32	NOW, THEREFORE, BE IT MOVED by the Council of King County:
33	The council intends to conduct research on the following subjects and to report
34	the results of its research by May 12, 2008:
35	A. Review of existing local law pertaining to campaign financing;
36	B. Review of trends in the cost of campaigns for elective local offices;
37	C. Options for updating local law, including, but not limited to, significantly
38	lowering maximum contribution limits and exploring public financing and matching

39	funds, with a view toward the experience of other jurisdictions that have implemented
40	public financing for campaigns;
41	D. Review of lessons learned in the seven states and two cities where public
42	campaign financing has been implemented, including identifying any potential obstacles
43	and impediments to implementation of public financing of campaigns.
44	E. The history of public financing in Seattle and King County prior to 1993;
45	F. Estimates of the costs associated with such undates, including implementation

46	and oversight of public campaign financing;	and
47	G. Options for funding those costs.	
48		
	Motion 12734 was introduced on 8/20/2007 King County Council on 4/14/2008, by the	and passed as amended by the Metropolitan following vote:
	Phillips	Stantine, Mr. Ferguson, Mr. Gossett and Mr. Mr. von Reichbauer and Ms. Hague
		KING COUNTY COUNCIL KING COUNTY, WASHINGTON
	ATTEST:	
	<del></del>	
	Attachments None	



# **KING COUNTY**

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

# **Signature Report**

May 12, 2008

## **Ordinance**

**Proposed No.** 2008-0147.1

Sponsors Phillips

1	AN ORDINANCE establishing November 4, 2008, as the
2	date for an election on the question of using local public
3	matching funds to finance the campaigns for the offices of
4	the King County executive, prosecutor, sheriff, assessor,
5	county council, district court judges and superior court
6	judges.
7	
8	STATEMENT OF FACTS:
9	1. Nearly twenty years ago, King County voters approved a charter
10	amendment to implement an innovative program that matched private
11	campaign funds with public money, when candidates agreed to limit
12	campaign spending, in order to reduce the influence of special interests in
13	elections.
14	2. Subsequent changes in state law eliminated local programs that
15	provided public funding for political campaigns of elected offices.
16	3. RCW 42.17.128, amended in the 2008 legislative session, provides that
17	"A county, city, town, or district that establishes a program to publicly

18	finance local political campaigns may only use funds derived from local
19	sources to fund the program."
20	4. RCW 42.17.128 provides further that "A local government must submit
21	any proposal for public financing of local political campaigns to voters for
22	their adoption and approval or rejection."
23	5. It is in the public interest to encourage the widest participation of the
24	public in the electoral process and to reduce the dependence of candidates
25	on large contributions.
26	6. Public matching funds for campaign purposes are necessary for
27	voluntary expenditure limitations to be successful and voluntary programs
28	are the only limitations constitutionally permissible.
29	BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:
30	SECTION 1. There shall be submitted to the qualified voters of King County the
31	proposition as set forth in section 1 of this ordinance. The clerk of the council is hereby
32	authorized and directed to transmit the proposition to the manager of the elections
33	division in substantially the following form, with such additions, deletions or
34	modifications in the ballot title as may be required for the proposition described in
35	sections 2 through 11 of this ordinance below by the King County prosecutor:
36	PROPOSITION 1: The King County Council has passed Ordinance No.
37	concerning the use of public matching funds to finance local campaigns. If this
38	proposition is approved, local public matching funds will be available to candidates for
39	local elective office who have met specific requirements and signed a contract agreeing

## Ordinance

40	to limitations on candidate contributions, expenditures and use of contributions, all as
41	further described in Ordinance No Should this proposition be approved?
42	YES [ ]
43	NO [ ]
44	NEW SECTION. SECTION 2. There is hereby added to K.C.C. chapter 1.05 a
45	new section to read as follows:
46	A. Effective with elections for county offices in 2009, a candidate for executive,
47	prosecutor, sheriff, assessor, county council, district court judge and superior court judge
48	may sign a contract with the county agreeing to abide by limitations on candidates'
<b>4</b> 9	contributions, limitations on campaign expenditures and limitations on the use of all
50	contributions as specified in this chapter in exchange for local public matching funds.
51	B. The campaign contract must be signed by the individual candidate either
52	within thirty days after the individual becomes a candidate as defined in R.C.W.
53	42.17.020, or at the time of filing for office, whichever is earlier.
54	NEW SECTION. SECTION 3. There is hereby added to K.C.C. chapter 1.05 a
55	new section to read as follows:
56	A candidate who signs a campaign contract shall make no contribution to the
57	candidate's own campaign or political committee that in the aggregate exceeds ten
58	percent of the applicable expenditure limit in any election cycle.
59	NEW SECTION. SECTION 4. There is hereby added to K.C.C. chapter 1.05 a
50	new section to read as follows:
61	A. A candidate for county council who signs a campaign contract in accordance
52	with section 3 of this ordinance shall not during the election cycle make expenditures



63	exceeding the aggregate amount of the annual salary of the office that the candidate is
64	seeking, calculated for the year of the election.
65	B. A candidate for executive, prosecutor, sheriff, assessor, district court judge,
66	superior court judge and any other elective county office designated by the county
67	council by ordinance who signs a campaign contract in accordance with section 3 of this
68	ordinance shall not, during the election cycle, make expenditures exceeding three times
69	the aggregate amount of the annual salary of the office which the candidate is seeking.
70	C. Independent expenditures, as defined by this chapter, shall not be included in
71	the computation of a candidate's expenditures.
72	NEW SECTION. SECTION 5. There is hereby added to K.C.C. chapter 1.05 a
73	new section to read as follows:
74	A. To be eligible to receive local public matching funds, a candidate for
75	executive, prosecutor, sheriff, assessor, county council, district court judge and superior
76	court judge must meet the legal requirements of the office as established by statute or the
77	county charter and:
78	1. For the offices of executive, prosecutor, sheriff, district court judge and
79	superior court judge:
80	a. Receive five hundred contributions of ten dollars or more during the
81	campaign cycle, and
82	b. be opposed by a candidate who has qualified for local public
83	matching funds or who has raised, spent or has cash on hand of forty-five thousand
84	dollars or more; or
85	2. For the office of county council:

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a.	receive two hundred	contributions of ten	dollars or more	during the
npaign cycle; and				

- b. be opposed by a candidate who has qualified for local public matching funds or who has raised, spent or has cash on hand of ten thousand dollars or more.
- B. For the purposes of establishing eligibility under this section, only those contributions received from residents of King County shall be counted toward the requirement.
- C. Candidates must submit evidence of meeting the eligibility requirements of this section to the manager of the elections division for verification. Upon verification of eligibility, a candidate who has signed a campaign contract shall be eligible to receive local public matching funds: provided that any candidate who receives local public matching funds and later fails to file for public office or withdraws his or her candidacy after filing, shall return to the appropriate county account and all unexpended campaign funds up to the amount of the matching public funds disbursed to that candidate.

SECTION 6. There is hereby added to K.C.C. chapter 1.05 a new section to read as follows:

A. Effective with the elections for county offices in 2009, a candidate who met the eligibility requirements for local public matching funds and who signed a campaign contract shall be entitled to receive one dollar in local public matching funds for every one dollar received from any resident of King County during the campaign cycle to a maximum public match of fifty dollars per individual contributor. Neither loans nor the

#### **Ordinance**

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108 transfers of anything of value other than money to the candidate or the candidate's other 109 political committee shall be matched with local public funds. 110 B. A candidate who signs a contract and who otherwise is eligible to receive local 111 public matching funds shall be eligible until it is determined that the candidate has no 112 opponent at the close of the filing period until or after the primary election as provided by 113 law. For purposes of this section, a write-in candidate is not considered an opponent. 114 C. If, following the election wherein the candidate is elected or defeated, the 115 candidate has unexpended campaign funds, one-half of the surplus funds but not 116 exceeding the amount of local public matching funds received, shall be returned to the 117 appropriate county account within ten days of certification of the election. 118 D. A candidate who signed a campaign contract may void the candidate's 119 contract within fifteen days after the close of filing, but only if: 120 1. An opponent of that candidate does not enter into a campaign contract in 121 under this chapter; and 122 2. The candidate returns all local public matching funds received in accordance 123 with this chapter. 124 NEW SECTION. SECTION 7. There is hereby added to K.C.C. chapter 1.05 a 125 new section to read as follows: 126 A. There is hereby established in the county treasury a campaign matching fund 127 account into which shall be deposited whatever sums the county may receive or allocate 128 from time to time or during the annual budget process for campaign matching purposes. 129 B. Candidates entitled to local public matching funds shall be paid upon



submission of vouchers which shall be approved by the manager of the elections division.

#### **Ordinance**

<u>NEW SECTION. SECTION 8.</u> There is hereby added to K.C.C. chapter 1.05 a new section to read as follows:

Local public matching funds may be expended only for the receiving candidate's direct campaign purposes including but not limited to, purchasing campaign literature or media space or time, mailings, renting campaign headquarters, or paying for campaign headquarters' telephones. All use of local public matching funds for advertising expenditures including the costs of production, distribution and purchase of media space or air time, shall meet the requirements of the fair advertising definition. A candidate who signs a campaign contract may not use matching funds for indirect campaign purposes such as, but not limited to, providing a candidate's personal support or for donation to another's campaign. Permissibility of an expenditure of local public matching funds shall be determined by the director of the manager of the elections division.

NEW SECTION. SECTION 9. There is hereby added to K.C.C. chapter 1.05 a new section to read as follows:

If the manager of the elections division is a candidate for elective county office and if this chapter applies to candidates for that elective county office, with respect to that candidate, all submissions required by this chapter to be made to the manager of the elections division shall be made to the director of the department of executive services and all verifications, approvals and determinations required by this chapter to be made by the manager of the elections division shall be made by the director of the department of executive services.

NEW SECTION. SECTION 10. There is hereby added to K.C.C. chapter 1.05 a new section to read as follows:

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154	The county may adopt an ordinance making this chapter applicable to any county
155	elected office.
156	SECTION 11. Severability. If any provision of this ordinance or its application
157	to any person or circumstance is held invalid, the remainder of the ordinance or the
158	application of the provision to other persons or circumstances is not affected.
159	
	KING COUNTY COUNCIL KING COUNTY, WASHINGTON
	ATTEST:
	APPROVED this,
	Attachments None